

REMARKS:

Claims 1-28 are currently pending in the application. Claims 1-9 stand rejected under 35 U.S.C. § 101. Claims 3, 12, and 22 stand rejected under 35 U.S.C. § 112, second paragraph. Claims 1-3, 5-8, 10-12, 14-17, 20-22, and 24-27 stand rejected under 35 U.S.C. § 102(b) over U.S. Patent No. 5,873,069 to Reuhl et al. ("*Reuhl*"). Claims 4, 13, and 23 stand rejected under 35 U.S.C. § 103(a) over *Reuhl* in view of U.S. Patent No. 5,249,120 to Foley ("*Foley*"). Claims 9, 18, and 28 stand rejected under 35 U.S.C. § 103(a) over *Reuhl* in view of U.S. Patent No. 3,581,072 to Nymeyer ("*Nymeyer*").

By this Amendment, the Applicant has amended independent claims 1, 10, and 20 and dependent claims 2-5, 7-9, 11-14, 16-18, 21-24, and 26-28 in an effort to expedite prosecution of this Application and to more particularly point out and distinctly claim the subject matter which the Applicant regards as the invention. By making these amendments, the Applicant makes no admission concerning the merits of the Examiner's rejection, and respectfully deny any statement or averment of the Examiner not specifically addressed. Particularly, the Applicant reserves the right to file additional claims in this Application or through a continuation patent Application of substantially the same scope of originally filed claims 1-28. No new matter has been added.

TELEPHONE INTERVIEW WITH EXAMINER WEISBERGER:

A telephone interview was conducted with Examiner Richard C. Weisberger on 18 January 2006 regarding the status of the Office Action dated 13 January 2006. The subject Office Action contains the phrase "the rejection is final" on pages 4-5. Examiner Weisberger stated that the subject Office Action was Non-Final as indicated on the Office Action Summary page and that the phrase "the rejection is final" on pages 4-5, was a typographical error. The Applicant thanks the Examiner for clarifying the status of the subject Office Action.

REJECTION UNDER 35 U.S.C. § 101:

Claims 1-9 stand rejected under 35 U.S.C. § 101 as allegedly being directed to non-statutory subject matter. Specifically, the Examiner states that “to be concrete and tangible the database and pricing engines [of claim 1] must be programmed on a computer processor.” (13 January 2006 Office Action, Page 2). The Applicant respectfully disagrees.

Nonetheless, the Applicant has amended independent claim 1 and dependent claims 2-5 and 7-9 in an effort to expedite prosecution of this Application and to more particularly point out and distinctly claim the subject matter which the Applicant’s regard as the invention. By making these amendments, the Applicant does not indicate agreement with or acquiescence to the Examiner’s position with respect to the rejections of these claims under 35 U.S.C. § 101, as set forth in the Office Action.

In addition, it appears that the Examiner may be basing the 35 U.S.C. § 101 rejection on an alleged failure to be ***within the technological arts***. The Applicant respectfully disagrees with this type of rejection. For example, the Board of Patent Appeals and Interferences has recently ruled that no such test exists:

Our determination is that ***there is currently no judicially recognized separate “technological arts” test to determine patent eligible subject matter under § 101***. We decline to propose to create one. Therefore, it is apparent that ***the examiner’s rejection can not be sustained***.

Ex parte Lundren, Appeal No. 2003-2088, Application 08/093,516 (Precedential BPAI opinion September 2005). (Emphasis Added).

Thus, the Applicant respectfully submits that if the Examiner is basing the 35 U.S.C. § 101 rejection on an alleged failure to be ***within the technological arts*** then ***the rejection cannot be sustained and is based on an improper test***.

The Applicant respectfully further submits that amended independent claims 1 is considered to be in full compliance with the requirements of 35 U.S.C. § 101. The

Applicant further respectfully submits that dependent claims 2-5 and 7-9 depend from amended independent claim 1 and are also considered to be in full compliance with the requirements of 35 U.S.C. § 101. Accordingly, reconsideration and withdrawal of the rejection of claims 1-9 under 35 U.S.C. § 101 is respectfully requested.

In addition, the Applicant respectfully requests that the Examiner call the undersigned at (817) 447-9955, if the Examiner has additional comments or suggestions to the 35 U.S.C. § 101 rejection of the subject Application or if the Examiner believes it would be easier to discuss the 35 U.S.C. § 101 rejection over the telephone.

REJECTION UNDER 35 U.S.C. § 112:

Claims 3, 12, and 22 stand rejected under 35 U.S.C. § 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which Applicant regards as the invention.

The Examiner specifically states “the rejection over substantially non-fungible is maintained.” (13 January 2006 Office Action, Page 2). The Applicant respectfully disagrees. Nonetheless, the Applicant has amended dependent claims 3, 12, and 22 in an effort to expedite prosecution of this Application and to more particularly point out and distinctly claim the subject matter which the Applicant’s regard as the invention. By making these amendments, the Applicant does not indicate agreement with or acquiescence to the Examiner’s position with respect to the rejections of these claims under 35 U.S.C. § 112, as set forth in the Office Action.

In addition, the Applicant thanks the Examiner for the removal of the 35 U.S.C. § 112 rejection of claims 1-9 and 19. Thus, claims 1-9 and 19 are considered to be in full compliance with the requirements of 35 U.S.C. § 112 and are considered to be in condition for allowance. In fact, since independent claim 19 is not rejected or objected to in the instant Office Action, independent claim 19 is deemed allowable.

The Applicant respectfully submits that amended dependent claims 3, 12, and 22 are considered to be in full compliance with the requirements of 35 U.S.C. § 112. The

Applicant further submits that amended dependent claims 3, 12, and 22 are in condition for allowance. Thus, the Applicant respectfully requests that the rejection of claims 3, 12, and 22 under 35 U.S.C. § 112 be reconsidered and that claims 3, 12, and 22 be allowed.

REJECTION UNDER 35 U.S.C. § 102(b):

Claims 1-3, 5-8, 10-12, 14-17, 20-22, and 24-27 stand rejected under 35 U.S.C. § 102(b) over *Reuhl*.

Although the Applicant believes claims 1-28 are directed to patentable subject matter without amendment, the Applicant has amended independent claims 1, 10, and 20 and dependent claims 2, 3, 6-8, 11, 12, 14-17, 21, 22, and 24-27 in an effort to expedite prosecution of this Application and to more particularly point out and distinctly claim the Applicant's invention. By making these amendments, the Applicant does not indicate agreement with or acquiescence to the Examiner's position with respect to the rejections of these claims under 35 U.S.C. § 102(b), as set forth in the Office Action.

The Applicant has reviewed *Reuhl* in detail, particularly looking for a system and associated software, for generating market pricing information for a non-fungible item, relied upon by the Examiner. However, *Reuhl* fails to disclose each and every limitation recited by claims 1-3, 5-8, 10-12, 14-17, 20-22, and 24-27. Thus, the Applicant respectfully submits that claims 1-3, 5-8, 10-12, 14-17, 20-22, and 24-27 patentably distinguish over *Reuhl*.

***Reuhl* Fails to Disclose, Teach, or Suggest Various Limitations Recited in Applicant's Claims**

For example, with respect to amended independent claim 1, this claim recites:

An electronic marketplace computer system for generating market pricing information for one or more non-fungible target items, the system comprising:

a marketplace server capable of ***receiving a request from a market participant for market pricing information for the one or more non-fungible target items***, the marketplace server comprising:

a pricing engine operable to:
access one or more databases associated with
the marketplace server containing:
historical pricing information for one or
more reference items;
historical pricing information for the one
or more non-fungible target items; and
market pricing information for the one or
more reference items; and
**determine a pricing differential for the one
or more non-fungible target items**, the pricing differential
reflecting the historical pricing information for the one or more non-
fungible target items and the one or more reference items;
apply the pricing differential to the market
pricing information for the one or more reference items to **generate
the market pricing information for the one or more non-
fungible target items**; and
**communicate the generated market pricing
information for the one or more non-fungible target items to
the market participant**. (Emphasis Added).

Amended independent claims 10 and 20 recite similar limitations. *Reuhl* fails to disclose each and every limitation of amended independent claims 1, 10, and 20.

The Applicant respectfully submits that *Reuhl* has nothing to do with amended independent claim 1 limitations regarding an “**electronic marketplace computer system for generating market pricing information for one or more non-fungible target items**” and in particular *Reuhl* has nothing to do with amended independent claim 1 limitations regarding “**a marketplace server capable of receiving a request from a market participant for market pricing information for the one or more non-fungible target items**” comprising “**a pricing engine**”. Rather, *Reuhl* describes an automated pricing system that is responsive to changes in market prices. (Column 1, Lines 7-15). This pricing system merely makes pricing adjustments based on a comparison with information on updated competitor’s prices, for the same or substantially similar products. (Column 3, Lines 19-28). In addition, it is clear that the pricing system disclosed in *Reuhl* is directed towards use for fungible goods, because the purpose of the system is to assist the system user in maintaining the lowest price in a particular market. (Column 3, Lines 49-54). Clearly, the goods contemplated in *Reuhl*

are fungible goods that are sold as commodities with price being the primary or only distinguishing feature. Thus, *Reuhl* cannot provide an “**electronic marketplace computer system for generating market pricing information for one or more non-fungible target items**” comprising “**a marketplace server capable of receiving a request from a market participant for market pricing information for the one or more non-fungible target items**” comprising “**a pricing engine**”, since the goods in *Reuhl* are fungible goods.

The Applicant respectfully submits that the allegation in the present Office Action that *Reuhl* discloses all of the claimed features is respectfully traversed. Further, it is noted that the Office Action provides no concise explanation as to how *Reuhl* is considered to anticipate all of the limitations in independent claim 1. In fact, the Examiner merely states that “the rejection of 9/3/04 provide [sic] ample guidance.” (13 January 2006 Office Action, Page 4). The Applicant respectfully disagrees and respectfully points out that there is no rejection of record of 9/3/04. However, there is an Office Action of record dated 23 September 2004. Even if the Examiner meant “the rejection of [9/23/04] provide [sic] ample guidance” there is still no concise explanation as to how *Reuhl* is considered to anticipate all of the limitations in independent claim 1. ***A prior art reference anticipates the claimed invention under 35 U.S.C. § 102 only if each and every element of a claimed invention is identically shown in that single reference.*** MPEP § 2131. (Emphasis Added). The Applicant respectfully points out that “it is incumbent upon the [E]xaminer to identify wherein each and every facet of the claimed invention is disclosed in the applied reference.” *Ex parte Levy*, 17 U.S.P.Q.2d (BNA) 1461, 1462 (Pat. & Tm. Off. Bd. Pat. App. & Int. 1990). The Applicant respectfully submits that the Office Action has failed to establish a *prima facie* case of anticipation in independent claim 1 under 35 U.S.C. § 102 with respect to *Reuhl* because *Reuhl* fails to identically disclose each and every element of the Applicant’s claimed invention, arranged as they are in Applicant’s claim.

The Applicant’s Claims are Patentable over *Reuhl*

With respect to amended independent claims 10 and 20 each of these claims includes limitations similar to those discussed above in connection with amended independent claim 1. Thus, amended independent claims 10 and 20 are considered patentably distinguishable over *Reuhl* for at least the reasons discussed above in connection with amended independent claim 1.

Furthermore, with respect to dependent claims 2, 3, 5-8, 11, 12, 14-17, 21, 22, and 24-27: claims 2, 3, and 5-8 depend from amended independent claim 1; claims 11, 12, and 14-17 depend from amended independent claim 10; and claims 21, 22, and 24-27 depend from amended independent claim 20. Thus, dependent claims 2, 3, 5-8, 11, 12, 14-17, 21, 22, and 24-27 are considered patentably distinguishable over *Reuhl* and are also considered to be in condition for allowance for at least the reason of depending from an allowable claim.

Thus, for at least the reasons set forth herein, the Applicant respectfully submits that claims 1-3, 5-8, 10-12, 14-17, 20-22, and 24-27 are not anticipated by *Reuhl*. The Applicant further submits that claims 1-3, 5-8, 10-12, 14-17, 20-22, and 24-27 are in condition for allowance. Thus, the Applicant respectfully requests that the rejection of claims 1-3, 5-8, 10-12, 14-17, 20-22, and 24-27 under 35 U.S.C. § 102(b) be reconsidered and that claims 1-3, 5-8, 10-12, 14-17, 20-22, and 24-27 be allowed.

THE LEGAL STANDARD FOR ANTICIPATION REJECTIONS UNDER 35 U.S.C. § 102:

The following sets forth the legal standards for "anticipation."

The events that can lead to anticipation can be divided into the following seven categories, all defined by statute:

1. **Prior Knowledge:** The invention was publicly known in the United States before the patentee invented it.

2. Prior Use: The invention was publicly used in the United States either (i) before the patentee invented it; or (ii) more than one year before he filed his patent application.

3. Prior Publication: The invention was described in a printed publication anywhere in the world either (i) before the patentee invented it; or (ii) more than one year before he filed his patent application.

4. Prior Patent: The invention was patented in another patent anywhere in the world either (i) before the patentee invented it; or (ii) more than one year before he filed his application.

5. On Sale: The invention was on sale in the United States more than one year before the patentee filed his application.

6. Prior Invention: The invention was invented by another person in the United States before the patentee invented it, and that other person did not abandon, suppress or conceal the invention.

7. Prior U.S. Patent: The invention was described in a patent granted on a patent application filed in the United States before the patentee made the invention.

Each of those seven events has its own particular requirements, but they all have the following requirements in common:

1. Anticipation must be shown by clear and convincing evidence.
2. If one prior art reference completely embodies the same process or product as any claim, the product or process of that claim is anticipated by the prior art, and that claim is invalid. To decide whether anticipation exists, one must consider each of the elements recited in the claim and determine whether all of them are found in the particular item alleged to be anticipating prior art.
3. There is no anticipation unless every one of those elements is found in a *single* prior publication, prior public use, prior invention, prior patent, prior knowledge or

prior sale. One may not combine two or more items of prior art to make out an anticipation. One should, however, take into consideration, not only what is expressly disclosed or embodied in the particular item of prior art, but also what inherently occurred in its practice.

4. There cannot be an accidental or unrecognized anticipation. A prior duplication of the claimed invention that was accidental, or unrecognized, unappreciated, and incidental to some other purpose is not an invalidating anticipation.

Those four requirements must be kept in mind and applied to each kind of anticipation in issue. The following additional requirements apply to some categories of anticipation.

1. Prior Knowledge: An invention is anticipated if it was known by others in the United States before it was invented by the patentee. "Known," in this context, means known to the public. Private knowledge, secret knowledge or knowledge confined to a small, limited group is not necessarily an invalidating anticipation. Things that were known to the public only outside the United States are not invalidating anticipation.

2. Prior Use: An invention is anticipated if it was used by others before it was invented by the patentee, or more than one year before the patentee filed his patent application. "Use," in this context, means a public use.

3. Prior Publication: A patent is invalid if the invention defined by the Claims was described in a printed publication before it was invented by the patentee or more than one year prior to the filing date of his application. For a publication to constitute an anticipation of an invention, it must be capable, when taken in conjunction with the knowledge of people of ordinary skill in the art, of placing the invention in the possession of the reader. The disclosure must be enabling and meaningful. In determining whether the disclosure is complete, enabling, and meaningful, one should take into account what would have been within the knowledge of a person of ordinary skill in the art at the time, and one may consider other publications that shed light on the knowledge such a person would have had.

4. Prior Patent: If the invention defined by the claims was patented in the United States or a foreign country, either before it was invented by the inventor or more than one year before the inventor filed his patent application, then the invention was anticipated. The effective date for this type of anticipation is the date on which two things co-existed: (i) the owner of the referenced patent had the right to enforce that patent; and (ii) the reference patent was available to the public. What was "patented" in the reference patent is determined by what is defined by its claims, interpreted in the light of the general description.

5. On Sale: A patent is invalid if the invention claimed in it was on sale in the United States more than one year prior to the application filing date.

6. Prior Invention: If the invention defined by the claims was invented by another person, in the United States, before it was invented by the inventor, and that other person did not abandon, suppress, or conceal the invention, the invention lacks novelty. A prior invention, even if put in physical form and shown to produce the desired result, is not an invalidating anticipation unless some steps were taken to make it public. However, it is not necessary that the inventor had knowledge of that prior invention.

7. Prior U.S. Application: A patent is invalid for lack of novelty if the invention defined by the claims was described in a United States patent issued on a patent application filed by another person before the invention was made by the inventor. The effective date of a prior application for purposes of this issue is the date on which it was filed in the United States. Foreign-filed patent applications do not apply. If the issued United States patent claims the benefit of more than one United States application, its effective date as an anticipation is the filing date of the first United States application that discloses the invention claimed in that referenced patent.

Experimental Use Exception: The law recognizes that it is beneficial to permit the inventor the time and opportunity to develop his invention. As such there is an "experimental use" exception to the "public use" and "on sale" rules. Even though the invention was publicly used or on sale, more than one year prior to the application filing date, that does not invalidate the patent, provided the principal purpose was experimenta-

tion rather than commercial benefit. If the primary purpose was experimental, it does not matter that the public used the invention or that the inventor incidentally derived profit from it.

When a public use or sale is shown, the burden is on the inventor to come forward with evidence to support the experimental use exception. Only experimentation by or under the control of the inventor qualifies for this exception. Experimentation by a third party, for its own purposes, does not qualify for this exception. Once the invention leaves the inventor's control, its use is a public one, even if further experimentation takes place.

The experimentation must relate to the claimed features of the invention. And it must be for the purpose of technological improvement, not commercial exploitation. If any commercial exploitation does occur, it must be merely incidental to the primary purpose of experimentation. A test done primarily for marketing, and only incidentally for technological improvement, is a public use.

REJECTION UNDER 35 U.S.C. § 103(a):

Claims 4, 13, and 23 stand rejected under 35 U.S.C. § 103(a) over *Reuhl* in view of *Foley*. Claims 9, 18, and 28 stand rejected under 35 U.S.C. § 103(a) over *Reuhl* in view of *Nymeyer*.

Although the Applicant believes that claims 1-28 are directed to patentable subject matter and are in condition for allowance without amendment. The Applicant has amended dependent claims 4, 9, 13, 18, 23 and 28 in an effort to expedite prosecution of this Application and to more particularly point out and distinctly claim the subject matter which the Applicant regards as the invention. By making these amendments, the Applicant does not indicate agreement with or acquiescence to the Examiner's position with respect to the rejections of these claims under 35 U.S.C. § 103(a), as set forth in the Office Action.

The Applicant respectfully submits that *Reuhl* or *Foley*, either individually or in combination, fail to disclose, teach, or suggest each and every element of claims 4, 13,

and 23. The Applicant further submits that *Reuhl* or *Nymeyer*, either individually or in combination, fail to disclose, teach, or suggest each and every element of claims 9, 18, and 28. Thus, the Applicant respectfully traverses the Examiners obvious rejection of claims 4, 9, 13, 18, 23 and 28 under 35 U.S.C. § 103(a) over the proposed combination of *Reuhl*, *Foley*, or *Nymeyer* either individually or in combination.

The Proposed *Reuhl-Foley* Combination Fails to Disclose, Teach, or Suggest Various Limitations Recited in Applicant's Dependent Claims 4, 13, and 23

For example, with respect to amended dependent claim 4, this claim recites:

The system of Claim 1, wherein the ***one or more reference items is a fungible item that serves as a proxy for at least one indicator of price for the target item***, the indicator being selected from the group consisting of:

cost per unit quantity of material used in creating the item;
time or cost associated with one or more pieces of equipment used in creating the item; and
time or cost associated with one or more persons involved in creating the item. (Emphasis Added).

Amended dependent claims 13 and 23 recite similar limitations. *Reuhl* and *Foley*, either individually or in combination, fail to disclose each and every limitation of amended dependent claims 4, 13, and 23.

In addressing the 35 U.S.C. § 103(a) rejection of dependent claim 4, the Examiner merely states that “***the rejection is of record***”, without addressing the merits of the Applicant's claims. (13 January 2006 Office Action, Page 4). The Applicant respectfully disagrees with this type of assertion and respectfully submits that this type of rejection is improper. The Applicant respectfully requests that the Examiner provide adequate grounds for the rejections under 35 U.S.C. § 103(a) as related to Applicant's claimed invention.

However, assuming that the Examiner is referring to the Office Action dated 23 September 2004 and the arguments asserted by the Examiner in the Office Action dated 23 September 2004, the Applicant submits the following arguments.

The Applicant respectfully submits that the Office Action acknowledges, and the Applicant agrees, that *Reuhl* fails to disclose the emphasized limitations noted above in dependent claim 4. Specifically, in the previous Office Action dated 23 September 2004, the Examiner acknowledges that *Reuhl* fails to disclose the ***one or more reference items is a fungible item that serves as a proxy for at least one indicator of price for the target item***, the indicator being selected from the group consisting of: ***cost per unit quantity of material*** used in creating the item; ***time or cost associated with one or more pieces of equipment*** used in creating the item; and ***time or cost associated with one or more persons*** involved in creating the item. (23 September 2004 Office Action, Page 6). However, the Examiner asserts that the cited portions of *Foley* disclose the acknowledged shortcomings in *Reuhl*. The Applicant respectfully traverses the Examiners assertions regarding the subject matter disclosed in *Foley*.

The Applicant further respectfully submits that *Foley* has nothing to do with the amended dependent claim 4 limitations regarding “***one or more reference items is a fungible item that serves as a proxy for at least one indicator of price for the target item***” and in particular *Foley* has nothing to do with the amended dependent claim 4 limitations regarding “the indicator being selected from the group consisting of: ***cost per unit quantity of material*** used in creating the item; ***time or cost associated with one or more pieces of equipment*** used in creating the item; and ***time or cost associated with one or more persons*** involved in creating the item.” Rather *Foley* discloses a system with indirect cost allocation which identifies a material in an initial state for manufacturing a product. (Abstract). *Foley* fails to disclose, teach, or suggest that the system that identifies material in an initial state for manufacturing a product is in anyway related to ***a fungible item that serves as a proxy for at least one indicator of price for the target item***, the indicator being selected from the group consisting of: ***cost per unit quantity of material*** used in creating the item; ***time or cost associated with one or more pieces of equipment*** used in creating the item; and ***time or cost associated with one or more persons*** involved in creating the item.”

The Applicant respectfully submits that the Office Action has failed to properly establish a *prima facie* case of obviousness based on the proposed combination of *Reuhl*

or *Foley*, either individually or in combination. The Office Action has not shown the required teaching, suggestion, or motivation in these references or in knowledge generally available to those of ordinary skill in the art at the time of the invention to combine these references as proposed. The Office Action merely states that “one skilled in the art would look to all and every method [sic] better price information.” (13 January 2006 Office Action, Page 5). The Applicant respectfully disagrees and further respectfully requests clarification as to what the Examiner is referring to as “better price information.”

The Applicant further submits that this purported advantage relied on by the Examiner is nowhere disclosed, taught, or suggested in *Reuhl* or *Foley*, either individually or in combination. In essence, the Examiner asserts that one skilled in the art would be motivated to achieve “better price information.” (13 January 2006 Office Action, Page 5). The Applicant respectfully disagrees and further respectfully submits that this does not even make any sense. The Applicant respectfully requests the examiner to point to the portions of *Reuhl* or *Foley* which contain the teaching, suggestion, or motivation to combine these references for the Examiner’s stated purported advantage. The Applicant further submits that the Examiner is using the subject Application as a template to formulate reconstructive hindsight, which constitutes impermissible use of hindsight under 35 U.S.C. § 103(a).

A recent Federal Circuit case makes it crystal clear that, in an obviousness situation, the ***prior art must disclose each and every element of the claimed invention, and that any motivation to combine or modify the prior art must be based upon a suggestion in the prior art.*** *In re Lee*, 61 U.S.P.Q.2d 1430 (Fed. Cir. 2002). (Emphasis Added). Conclusory statements regarding common knowledge and common sense are insufficient to support a finding of obviousness. *Id.* at 1434-35. With respect to the subject Application, ***the Examiner has not adequately supported the selection and combination of Reuhl and Foley to render obvious the Applicant’s claimed invention.*** The Examiner’s conclusory statement that “one skilled in the art would look to all and every method [sic] better price information” ***does not adequately address the issue of motivation to combine.*** (13 January 2006 Office Action, Page 5). This factual question of motivation is material to patentability, and cannot be resolved on subjective

belief and unknown authority. *Id.* It is improper, in determining whether a person of ordinary skill would have been led to this combination of references, simply to "[use] that which the inventor taught against its teacher." *W.L. Gore v. Garlock, Inc.*, 721 F.2d 1540 (Fed. Cir. 1983). Thus, ***the Office Action fails to provide proper motivation for combining the teachings of Reuhl or Foley***, either individually or in combination.

The Proposed *Reuhl-Nymeyer* Combination Fails to Disclose, Teach, or Suggest Various Limitations Recited in Applicant's Dependent Claims 9, 18, and 28

For example, with respect to amended dependent claim 9, this claim recites:

The system of Claim 1, wherein ***the pricing engine provides a bid-ask exchange with respect to a market*** that includes the one or more non-fungible target items and the one or more reference items. (Emphasis Added).

Amended dependent claims 18 and 28 recite similar limitations. *Reuhl* and *Nymeyer*, either individually or in combination, fail to disclose each and every limitation of amended dependent claims 9, 18, and 28.

In addressing the 35 U.S.C. § 103(a) rejection of dependent claim 9, the Examiner merely states that "***the rejection is of record***", without addressing the merits of the Applicant's claims. (13 January 2006 Office Action, Page 4). The Applicant respectfully disagrees with this type of assertion and respectfully submits that this type of rejection is improper. The Applicant respectfully requests that the Examiner provide adequate grounds for the rejections under 35 U.S.C. § 103(a) as related to Applicant's claimed invention.

However, assuming that the Examiner is referring to the Office Action dated 23 September 2004 and the arguments asserted by the Examiner in the Office Action dated 23 September 2004, the Applicant submits the following arguments.

The Applicant respectfully submits that the Office Action acknowledges, and the Applicant agrees, that *Reuhl* fails to disclose the emphasized limitations of dependent

claim 9. Specifically, in the previous Office Action dated 23 September 2004, the Examiner acknowledges that *Reuhl* fails to disclose ***the pricing engine [that] provides a bid-ask exchange with respect to a market*** that includes the one or more non-fungible target items and the one or more reference items. (23 September 2004 Office Action, Pages 6-7). However, the Examiner asserts that the cited portions of *Nymeyer* disclose the acknowledged shortcomings in *Reuhl*. The Applicant respectfully traverses the Examiners assertions regarding the subject matter disclosed in *Nymeyer*.

The Applicant further respectfully submits that *Nymeyer* has nothing to do with the amended dependent claim 9 limitations regarding ***“the pricing engine [that] provides a bid-ask exchange with respect to a market*** that includes the one or more non-fungible target items and the one or more reference items.” Rather *Nymeyer* discloses a special purpose digital computer for arranging highest priced orders to buy and lowest priced orders to sell. (Abstract). *Nymeyer* fails to disclose, teach, or suggest that the special purpose digital computer disclosed in *Nymeyer* is associated with a ***pricing engine [that] provides a bid-ask exchange with respect to a market*** that includes the one or more non-fungible target items and the one or more reference items. Thus, *Nymeyer* cannot provide for a ***“pricing engine [that] provides a bid-ask exchange with respect to a market*** that includes the one or more non-fungible target items and the one or more reference items”, since *Nymeyer* does not even provide for a bid-ask exchange in the first place.

The Applicant respectfully submits that the Office Action has failed to properly establish a *prima facie* case of obviousness based on the proposed combination of *Reuhl* or *Nymeyer*, either individually or in combination. The Office Action has not shown the required teaching, suggestion, or motivation in these references or in knowledge generally available to those of ordinary skill in the art at the time of the invention to combine these references as proposed. The Office Action merely states that “price accuracy is a well known variable in the art of *Reuhl*.” (13 January 2006 Office Action, Page 5). The Applicant respectfully disagrees.

The Applicant further submits that this purported advantage relied on by the Examiner is nowhere disclosed, taught, or suggested in *Reuhl* or *Nymeyer*, either individually or in combination. The Examiner asserts that "one skilled in the art would look to all and every method better price information." (13 January 2006 Office Action, Page 5). The Applicant respectfully disagrees and further respectfully requests clarification as to how the Examiner arrives at this conclusion. The Applicant respectfully requests the examiner to point to the portions of *Reuhl* or *Nymeyer* which contain the teaching, suggestion, or motivation to combine these references for the for the Examiner's stated purported advantage. The Applicant further submits that the Examiner is using the subject Application as a template to formulate reconstructive hindsight, which constitutes impermissible use of hindsight under 35 U.S.C. § 103(a).

A recent Federal Circuit case makes it crystal clear that, in an obviousness situation, the ***prior art must disclose each and every element of the claimed invention, and that any motivation to combine or modify the prior art must be based upon a suggestion in the prior art.*** *In re Lee*, 61 U.S.P.Q.2d 1430 (Fed. Cir. 2002). (Emphasis Added). Conclusory statements regarding common knowledge and common sense are insufficient to support a finding of obviousness. *Id.* at 1434-35. With respect to the subject Application, ***the Examiner has not adequately supported the selection and combination of Reuhl and Nymeyer to render obvious the Applicant's claimed invention.*** The Examiner's conclusory statement that "price accuracy is a well known variable in the art of *Reuhl*" and that "one skilled in the art would look to all and every method better price information" ***does not adequately address the issue of motivation to combine.*** (13 January 2006 Office Action, Page 5). This factual question of motivation is material to patentability, and cannot be resolved on subjective belief and unknown authority. *Id.* It is improper, in determining whether a person of ordinary skill would have been led to this combination of references, simply to "[use] that which the inventor taught against its teacher." *W.L. Gore v. Garlock, Inc.*, 721 F.2d 1540 (Fed. Cir. 1983). Thus, ***the Office Action fails to provide proper motivation for combining the teachings of Reuhl or Nymeyer***, either individually or in combination.

The Proposed *Reuhl-Foley-Nymeyer* Combination Fails to Disclose, Teach, or Suggest Various Limitations Recited in Applicant's Claims

The Applicant respectfully submits that amended independent claims 1, 10, and 20 are considered patentably distinguishable over the proposed combination of *Reuhl, Foley, and Nymeyer*. This being the case, independent claims 1, 10, and 20 are considered patentably distinguishable over the proposed combination of *Reuhl, Foley, and Nymeyer*.

With respect to dependent claims 4, 9, 13, 18, 23 and 28: claims 4 and 9 depend from amended independent claim 1, claims 13 and 18 depend from amended independent claim 10, and claims 23 and 28 depend from amended independent claim 20. As mentioned above, each of independent claims 1, 10, and 20 are considered patentably distinguishable over the *Reuhl, Foley, and Nymeyer*. Thus, dependent claims 4, 9, 13, 18, 23 and 28 are considered to be in condition for allowance for at least the reason of depending from an allowable claim.

For at least the reasons set forth herein, the Applicant submits that claims 4, 9, 13, 18, 23 and 28 are not rendered obvious by the proposed combination of *Reuhl, Foley, and Nymeyer*. The Applicant further submits that claims 4, 9, 13, 18, 23 and 28 are in condition for allowance. Thus, the Applicant respectfully requests that the rejection of claims 4, 9, 13, 18, 23 and 28 under 35 U.S.C. § 103(a) be reconsidered and that claims 4, 9, 13, 18, 23 and 28 be allowed.

THE LEGAL STANDARD FOR OBVIOUSNESS REJECTIONS UNDER 35 U.S.C. § 103:

To establish a *prima facie* case of obviousness, three basic criteria must be met. First, ***there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine reference teachings.*** Second, there must be a reasonable expectation of success. Finally, ***the prior art reference*** (or references when combined) ***must teach or suggest all the claim limitations.*** The teaching or suggestion to make the claimed combination and the reasonable expectation of success must both be found in the prior art, ***and not based on applicant's disclosure.*** *In re Vaeck*, 947 F.2d

488, 20 U.S.P.Q.2d 1438 (Fed. Cir. 1991); M.P.E.P. § 2142. Moreover, all the claim limitations must be taught or suggested by the prior art. *In re Royka*, 490 F.2d 981, 180 U.S.P.Q. 580 (CCPA 1974). If an independent claim is nonobvious under 35 U.S.C. § 103, then any claim depending therefrom is nonobvious. *In re Fine*, 837 F.2d 1071, 5 U.S.P.Q.2d 1596 (Fed. Cir. 1988); M.P.E.P. § 2143.03.

With respect to alleged obviousness, ***there must be something in the prior art as a whole to suggest the desirability***, and thus the obviousness, of making the combination. *Panduit Corp. v. Dennison Mfg. Co.*, 810 F.2d 1561 (Fed. Cir. 1986). In fact, the absence of a suggestion to combine is dispositive in an obviousness determination. *Gambro Lundia AB v. Baxter Healthcare Corp.*, 110 F.3d 1573 (Fed. Cir. 1997). The mere fact that the prior art can be combined or modified does not make the resultant combination obvious unless the prior art also suggests the desirability of the combination. *In re Mills*, 916 F.2d 680, 16 U.S.P.Q.2d 1430 (Fed. Cir. 1990); M.P.E.P. § 2143.01. The consistent criterion for determining obviousness is whether the prior art would have suggested to one of ordinary skill in the art that the process should be carried out and would have a reasonable likelihood of success, viewed in the light of the prior art. Both the suggestion and the expectation of success must be founded in the prior art, not in the Applicant's disclosure. *In re Vaeck*, 947 F.2d 488, 20 U.S.P.Q.2d 1438 (Fed. Cir. 1991); *In re O'Farrell*, 853 F.2d 894 (Fed. Cir. 1988); M.P.E.P. § 2142.

A recent Federal Circuit case makes it clear that, in an obviousness situation, the prior art must disclose each and every element of the claimed invention, and that any motivation to combine or modify the prior art must be based upon a suggestion in the prior art. *In re Lee*, 61 U.S.P.Q.2d 1430 (Fed. Cir. 2002). Conclusory statements regarding common knowledge and common sense are insufficient to support a finding of obviousness. *Id.* at 1434-35.

CONCLUSION:


In view of the foregoing amendments and remarks, this application is considered to be in condition for allowance, and early reconsideration and a Notice of Allowance are earnestly solicited.

Although the Applicant believes no fees are deemed to be necessary; the undersigned hereby authorizes the Commissioner to charge any additional fees which may be required, or credit any overpayments, to **Deposit Account No. 500777**.

Please link this application to Customer No. 53184 so that its status may be checked via the PAIR System.

Respectfully submitted,

3/9/06
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